IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
INCOME TAX APPEAL NO.935 OF 2000

The Commissioner of Income-tax,
Mumbai City VI, 3rd floor,
Aayakar Bhavan, M.K.Road,
Mumbai 400 020 ...Appellant

V/s.

M/s. Adino Electronics Pvt.
Ltd.
13/14-A, Nand Bhavan, Mahakali
Caves Road, Andheri (E),
Mumbai. ...Respondents.

Mr.Dr.P.Daniel for the Appellant.
Mr.Subhash S. Shetty for the Respondent.

CORAM: S.RADHAKRISHNAN &
J.H.BHATIA, JJ.
DATE : 27th June, 2005.
P.C.:

1. Heard the learned counsel for the Appellant and the Respondents. Perused the order of the Commissioner of Income Tax (Appeals) dated 31st December, 1990 which pertains to the assessment year 1988-89 wherein the Commissioner of Income Tax (Appeals) has clearly held that the addition of Rs.48,52,209 ought to be deleted on the ground that " proportionate completion method" which is a recognised as accounting standard prescribed by the Institute of Chartered Accountants of India. Aggrieved by the order

of the Commissioner of Income Tax (Appeals), the Appellant (Revenue) had preferred an appeal to the Income Tax Appellate Tribunal. We have also perused the judgment and order of the Income Tax Appellate Tribunal dated 15th February, 2000. The Tribunal has also agreed with the view that the accounting method adopted by the Respondent is a standard accounting method accepted by the Institute of Chartered Accountants of India and the Tribunal has also referred to and relied on the judgment of Supreme Court in the case of Calcutta Company Limited v. CIT (37 ITR 1) with regard to the provision for estimated liability incurred towards after-sales service expenditure. Under these circumstances, we do not find any merit in the appeal. Hence, the appeal stands dismissed.

(S.RADHAKRISHNAN,J.)

(J.H.BHATIA, J.)